

TO: Proximity Video Team  
FROM: Paul Miers  
DATE: June 12, 2009  
SUBJECT: Proposal for report on TiVo

TiVo long dominated the digital video recorder (DVR) market with its proprietary time-shifting technology. It now seeks dominance in a newly emerging market for media hubs which link TV screens with broadband Internet and desktop multimedia. I propose to write a report on how TiVo is positioning itself to make its technology an essential component in this market.

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## Need

The once sharp distinction between TVs and computers linked to the Internet is rapidly blurring.

- Broadcasters are using sites like Hulu to offer content on the Web, and Internet sites like YouTube are invading big screen TVs.
- Content vendors like NetFlix and Blockbuster are using Internet distribution to stream and sell premium content which customers watch on big screen TVs.
- Multimedia programs can now transfer user generated images and video from the desk top to high definition TVs.
- Online game players like XBox can also be used to view and store premium video content.

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No single media hub on the market now, including the TiVo, can mediate all of these exchanges. Legal rulings, however, support TiVo's claim that it alone has proprietary rights to an essential piece of technology that all next-generation media hubs must have: intelligent software that can find, store, and manage the extensive libraries of content users will accumulate from both broadcast and broadband sources.

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Clients of Proximity who wish to target Gen-Y consumers need this report to understand the role this essential TiVo technology will play in allowing them to deliver interactive ads suited to the new video landscape.

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## Topics

The proposed report, "TiVo Technology and the Next-Generation Media Hub," will cover the following topics:

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- DVR time-shifting and the advertising crisis;

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- The convergence of broadcast and broadband entertainment;
- The need for TiVo's unique technology in next-generation media hubs;
- The future of interactive, contextualized advertising.

The report will also include attachments that outline TiVo's patent claims and compare the functionality of current media hubs.

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## Sources

The following items are key sources for the report. I still need to find detailed analysis of TiVo's patent claims.

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Clifford, Stephanie. Ads That TiVo Hopes You'll Talk To, Not Zap (2009, April 23). *New York Times*, B1. Retrieved June 11, 2009 from LexisNexis Academic.

Clifford reports on efforts by TiVo to sell interactive ads that can be inserted when a TV viewer pauses a show or fast forwards through standard broadcast advertising. In many cases, Clifford notes, advertisers are pushing agencies to exploit the full potential of interactive TV. Unilever, for example, is promoting Axe with interactive ads that explain why men should use body wash. The company believes these ads are effective because, as a spokesperson noted, "guys don't really talk to each other about personal hygiene."

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Costa, Dan. TiVo Is Not Dead Yet; TiVo is poised for a serious comeback--and could be the media hub in the next-generation smart home--as long as the company follows a few simple rules. (2008, May 2). *PC Magazine*, 27(7). Retrieved June 11, 2009 from LexisNexis Academic.

Costa analyzes TiVo's repositioning strategy. He argues that TiVo can be a dominant player in next-generation media hubs if it 1) concentrates on developing and licensing software rather than manufacturing hardware; 2) develops cooperative relationships with cable rivals; 3) delivers multimedia content; and 4) become a social platform for users to discuss and share media. Costa also discusses the one technology he believes poses the greatest threat to TiVo: Windows Home Server appliances.

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Hansell, Saul. An Annual Gamble on What Gadgets We'll Love. (2009, January 8). *New York Times*, B-7. Retrieved from LexisNexis Academic on June 11, 2009.

Hansell previews the 2009 International Consumer Electronics Show in Las Vegas. Although he touches on new developments in computer games and mobile phones, much of the article address one question: "Does Microsoft Windows have a role to play in home entertainment?" Hansell describes how Microsoft lost out to Apple in providing integrated multimedia solutions even though the company had long recognized the value of a home entertainment server. He reports on current Microsoft CEO Steve Ballmer's plans for developing Windows 7.

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Nordyk, Kimberly. TiVo Chief Urges Changes in TV Advertising. (2009, January 29). *Brandweek.com*. Retrieved June 11, 2009 from LexisNexis Academic.

Nordyk reports remarks made by TiVo CEO Tom Rogers at the National Association of Television Program Executives' 2009 Market & Conference meeting in Chicago on Jan. 28. Rogers acknowledged that TiVo contributed to what he termed the "current crisis" in advertising; however, he predicted that interactive and "contextual" advertising being pioneered by TiVo will be part of the solution to that crisis. In an interview with Nordyk, Rogers spoke about TiVo's legal battle with Dish Network and its new partnerships with content vendors.

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Ray, Tiernan. TiVo Soars, May Rise Further. *Barons* (2009, June 3). Retrieved June 7, 2009 from <http://online.barrons.com/article/SB124404191302981465.html>.

Ray reviews the five-year legal battle between TiVo and Dish Network over DVR patent rights. He discusses the impact TiVo's recent court victory will have on Dish, as well as royalty claims that TiVo has against Cisco and Motorola. He also reports on plans by Time Warner Cable and Cablevision to developo networked DVRs not subject to TiVo royalty claims. Ray is long term optimistic about TiVo stock.

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- 1 Simple, two sentence overview which describes context for report.  
Paul Miers Jun 14, 2009 2:35 AM
- 2 Introduction ends with formal proposal statement.  
Paul Miers Jun 14, 2009 2:35 AM
- 3 These items in the list are single sentences which could have been put in a long paragraph. Given the density of each sentence, however, the reader needs to see a break out of the key points.  
Paul Miers Jun 14, 2009 2:36 AM
- 4 This paragraph makes the central argument for the whole report and thus sets up the needs statement  
Paul Miers Jun 14, 2009 2:39 AM
- 5 A single sentence closing paragraph which explicitly states the audience for the report and why they need to read it. A different report could have been directed to Gen-Y readers and focused on purchase decision. It is extremely important to keep in mind that you are writing a report for a narrow audience. If you are not trying to use video based ads to target Gen-Y then you don't need to read this report.  
Paul Miers Jun 14, 2009 2:40 AM
- 6 Give a proposed title - you may change it later. Note that I borrow the term "media hub" from one of the sources and that I set up the use of that term earlier in the proposal  
Paul Miers Jun 14, 2009 2:46 AM
- 7 These items are the proposed four main topic headings for the body of the report. Given that you will also have an introduction and a recommendations section, four main points is really the limit for a short report. Your proposed report may break down into three main topic headings.  
Paul Miers Jun 14, 2009 2:51 AM
- 8 I indicate other material to be included as attachments. Again, this may change by the time I write the report itself  
Paul Miers Jun 14, 2009 2:54 AM
- 9 Note that I briefly describe source material I still need to find.  
Paul Miers Jun 14, 2009 2:55 AM
- 10 Please look at this annotation closely. These are business sources not scholarly articles. I avoid indirect, round about openings - "In this article it is shown that . . ."  
  
Follow this simple model. Start with the author as the agent ( or a dummy agent if there is no author: "The Times reports . . . " ) Then use one (AND ONLY ONE) verb that indicates the nature of the article. In this case it is a straight piece of sourced reporting. All I want to do here is describe to you what you will get if you pull up the whole text. I am not trying to evaluate the accuracy of Clifford's reporting.  
Paul Miers Jun 14, 2009 2:56 AM
- 11 Note how I work a quote from the article into the annotation. Not necessary for every annotation, but it is an efficient way to explain the company's logic for using interactive ads for this product.  
Paul Miers Jun 14, 2009 3:00 AM
- 12 Note again - writer as agent; verb indicates that this piece is analysis not reporting.  
Paul Miers Jun 14, 2009 3:05 AM
- 13 Verb indicates that analysis involves opinion about TiVo strategy  
Paul Miers Jun 14, 2009 8:56 AM
- 14 This annotation illustrates one case where you not only can but should use numbered verb phrases to spell out the content of the article. DO NOT break annotations out into bullet lists.  
  
Note that I just summarize the points. I do not get lost in details or any attempt to tell you what I think about these points. This is not a movie review!!! Leave out gushy, over the top adjectives.  
Paul Miers Jun 14, 2009 3:07 AM

- 15 Agent / verb indicates that article was written before the start of the show  
**Paul Miers Jun 14, 2009 3:09 AM**
- 16 question is direct quote lifted from article.  
**Paul Miers Jun 14, 2009 3:10 AM**
- 17 Its a description not an explanation. Who knows why Mircrosoft screws up everything it touches.  
**Paul Miers Jun 14, 2009 3:10 AM**
- 18 Yes, Steve has plans; he always does.  
**Paul Miers Jun 14, 2009 3:11 AM**
- 19 Good old who, what, when, where journalistic lead.  
**Paul Miers Jun 14, 2009 3:12 AM**
- 20 Note I shift to direct paraphrase of what Rogers said. Don't use some convolution like "N writes that R said that . . ."  
**Paul Miers Jun 14, 2009 3:12 AM**
- 21 I do indicate that Nordyk also got an interview with Rogers.  
**Paul Miers Jun 14, 2009 3:14 AM**
- 22 Note this is a pure stock analysis. I use it because Ray gives good background on the legal issues. He could care less about next generation media hubs. He just wants to know where the stock will be six months from now. I don't even go into all the detail he gives about traders who shorted TiVo stock before the Dish settlement announcement. Remember, your annotation only needs to give a VERY concise statement of information in the article relevant to your reprot.  
**Paul Miers Jun 14, 2009 3:17 AM**